

# **State of Alaska FY2008 Governor's Operating Budget**

## **Department of Transportation/Public Facilities Northern Region Highways and Aviation Component Budget Summary**

## Component: Northern Region Highways and Aviation

### Contribution to Department's Mission

Provide an efficient transportation system for the movement of people and goods and the delivery of state services.

### Core Services

Control winter snow and ice: snow plowing, snow removal, sanding, de-icing, avalanche and drifting control, ice paving, snow fencing, and culvert thawing. Provide an active avalanche prevention program. Provide statewide winter road and weather reporting on the Internet via the statewide-recorded messaging system, and through faxes to state troopers, trucking firms, and others.

Perform summer road and airport maintenance including: grading, pothole patching, crack sealing, leveling of heaves and dips, brush clearing, sweeping, dust control, drainage cleaning and repair, fence and guardrail repair, bridge painting and repair, and sign maintenance.

Maintain road and airport lighting systems: maintenance of traffic signals, intersection and road illumination, runway and taxiway lights, beacons, and wind cones.

Control roadside litter and carry out trash removal at rest areas, turnouts and campgrounds.

Control encroachment on driveways, access roads, signs, utilities, and other state rights-of-way.

Safely maintain and operate 103 state-owned certificated and non-certificated airports in compliance with state and federal regulations. This includes maintaining security at state airports through access controls, criminal history checks and badging of those with access to restricted areas, security fencing, communications and law enforcement.

Maintain harbor facilities not maintained by local communities, including breakwaters, floats, and electrical systems.

Operate the Adopt-a-Highway program.

### FY2008 Resources Allocated to Achieve Results

|  |                   |            |
|--|-------------------|------------|
| <b>FY2008 Component Budget: \$62,047,900</b> | <b>Personnel:</b> |            |
|  | Full time         | 257        |
|  | Part time         | 73         |
|  | <b>Total</b>      | <b>330</b> |

### Key Component Challenges

The primary challenge continues to be protecting Alaska's significant investment in its transportation infrastructure. There is a constant upward pressure on the maintenance budget as the existing transportation infrastructure ages and the public pressure for enhancements to the system increases. Much of Alaska's highway system is growing old, resulting in larger, more complex maintenance projects. Lack of adequate funding over much of the previous decade has limited the extent of Maintenance and Operations (M&O's) preventative maintenance program resulting in continuing deterioration of the existing highway system. Increased traffic volumes and truck weights are causing increased deterioration and driving up costs at maintenance work sites. New environmental regulations and restrictions require costlier practices and significantly constrained timelines for repairs.

Other challenges include accommodating increases in the cost of labor and materials. Certain materials such as culverts, signs, and guardrail have increased significantly due to national steel shortages. Additional budget pressure arises from increased electricity and fuel costs as well as the addition of new fees that must be paid to other state and federal agencies. Although the Highways and Aviation (H&A) budget has increased recently, it has not kept up with these increasing demands and is currently inadequate to sustain an acceptable level of basic preventative maintenance of our roads and airports.

M&O is constantly challenged to improve services, save money, and meet ever-increasing customer expectations. Increased costs have been offset to some degree through increased productivity and other efficiencies. M&O has taken advantage of improving technologies to better manage the transportation system in a cost effective and efficient manner. Northern Region Highways and Aviation has made maximum use of federal highway and federal aviation major maintenance funding to achieve valuable repairs and improvements to road and airport surfaces. Unfortunately these federal funds come with limitations and cannot be used to address all categories of deferred maintenance needs. Federal funding scope limitations and general fund budget shortfalls have resulted in decreased striping, snow removal, and road maintenance activities in outlying areas.

Another significant challenge faced by Highways and Aviation is replacing its aging workforce as large numbers of employees are reaching, or are about to reach, retirement age. Private sector competition and national shortages of qualified and skilled heavy equipment operators are presenting us with major employee retention and replacement issues for the near future.

### **Significant Changes in Results to be Delivered in FY2008**

Meeting the need to cover increased fuel, utilities, chemicals, commodities, and rural airport maintenance contracts will ensure the existing level of service is maintained.

Northern Region needs to deal with a variety of environmental compliance issues. Those include demolition and removal of abandoned buildings, replacement of aboveground fuel tanks, spill cleanups, and cleanup of abandoned fuel tanks, crashed aircraft and heavy-duty equipment on state land.

### **Major Component Accomplishments in 2006**

Applied chip seal, hot mix, or high float asphalt to 153 lane miles of road.

Covered 677 lane miles of highways with surface crack seal treatment or re-leveling depressed roadway surfaces by "banding".

Cut approximately 1,383 shoulder miles of brush and trees along our highway, side road and bike path rights-of-way.

Completed 30 culvert replacements throughout the Northern Region.

Installed or replaced 2,625 linear feet of guardrail and raised 6,660 linear feet of existing guardrail as a safety enhancement for the travelling public on the Alaska and Taylor Highways.

Worked on 14 bridges throughout the region. Work consisted of bridge deck and structural repairs, including sliding expansion joints, bridge rail supports, erosion repair to bridge abutments, spalling concrete, cracks, exposed reinforcing steel on concrete bridge decks and replacement of timbers on wooden decked bridges.

Prepared 2,000 cubic yards (CY) of crushed surfacing for Huslia airport, 2,500 CY for Nulato airport, and 1,650 CY for Koyuk airport. Graded, shaped and compacted 54 acres of runway and taxiway surfaces at eight airports. Applied dust palliative (Permazyme, lignosulfonate and EK-36) on airport runways at five airports, which stabilized over 25 lane-miles of runway surfaces. Did critical paving repairs at the Nome airport, and general major maintenance at six other airports.

Hired a construction management firm to help coordinate major repair work on seven of the 16 airport projects accomplished by Northern Region M&O during summer 2006.

Established eight aggregate crushing contracts for over 223,800 cubic yards of material stockpiles in the Northern Region for current and future surface repairs by federal and state projects.

Re-striped 1,600 centerline miles of highways within Northern Region.

Contracted the repair and upgrade of electrical and signalization equipment in the Fairbanks area, including the replacement and modernization of two load centers, two signal controllers, over 800 luminaire lamps and fixtures, and installed five new video traffic detection units.

Contracted the chip seal resurfacing and the application of new traffic markings to 25 lane miles of Chena Pump Road in the Fairbanks area. Administered the hand clearing of 73 acres of roadside brush along 125 miles of roadway by the Southeast Alaska Guidance Association (SAGA) in the interior and south central areas of the Northern Region.

Administered the installation of over 900 milepost signs, and more than 100 other (Scenic Byway, 511, and Buckle-Up) signs for the modernization of the National Highway System signage in the Northern Region.

## Statutory and Regulatory Authority

AS 02 – Aeronautics  
AS 30 – Harbors and Shipping  
AS 38 – Motor Vehicles  
AS 44 – State Government  
AAC 13 – Public Safety  
AAC 14 – Public Works  
AAC 17 – DOT&PF  
CFR 14 – Aeronautics  
CFR 49 - Airport Security  
CRF 23 - Highways

### Contact Information

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### Northern Region Highways and Aviation Component Financial Summary

*All dollars shown in thousands*

|  | FY2006 Actuals  | FY2007<br>Management Plan | FY2008 Governor |
|--|-----------------|---------------------------|-----------------|
| <b>Non-Formula Program:</b>                  |                 |                           |                 |
| <b>Component Expenditures:</b>               |                 |                           |                 |
| 71000 Personal Services                      | 24,786.9        | 28,332.0                  | 32,150.3        |
| 72000 Travel                                 | 467.3           | 593.5                     | 593.5           |
| 73000 Services                               | 18,830.5        | 18,532.6                  | 19,056.6        |
| 74000 Commodities                            | 8,153.2         | 10,135.1                  | 10,247.5        |
| 75000 Capital Outlay                         | 1,086.4         | 0.0                       | 0.0             |
| 77000 Grants, Benefits                       | 0.0             | 0.0                       | 0.0             |
| 78000 Miscellaneous                          | 0.0             | 0.0                       | 0.0             |
| <b>Expenditure Totals</b>                    | <b>53,324.3</b> | <b>57,593.2</b>           | <b>62,047.9</b> |
| <b>Funding Sources:</b>                      |                 |                           |                 |
| 1002 Federal Receipts                        | 344.4           | 468.1                     | 468.1           |
| 1004 General Fund Receipts                   | 47,869.2        | 50,172.8                  | 54,167.2        |
| 1005 General Fund/Program Receipts           | 25.1            | 33.0                      | 33.0            |
| 1007 Inter-Agency Receipts                   | 73.5            | 277.4                     | 77.4            |
| 1026 Highways/Equipment Working Capital Fund | 15.8            | 15.8                      | 0.0             |
| 1052 Oil/Hazardous Response Fund             | 125.0           | 125.0                     | 125.0           |
| 1053 Investment Loss Trust Fund              | 0.0             | 180.0                     | 0.0             |
| 1061 Capital Improvement Project Receipts    | 3,885.2         | 5,123.4                   | 5,979.5         |
| 1108 Statutory Designated Program Receipts   | 38.9            | 231.4                     | 231.4           |
| 1156 Receipt Supported Services              | 947.2           | 966.3                     | 966.3           |
| <b>Funding Totals</b>                        | <b>53,324.3</b> | <b>57,593.2</b>           | <b>62,047.9</b> |

### Estimated Revenue Collections

| Description                           | Master<br>Revenue<br>Account | FY2006<br>Actuals | FY2007<br>Management Plan | FY2008<br>Governor |
|---------------------------------------|------------------------------|-------------------|---------------------------|--------------------|
| <b>Unrestricted Revenues</b>          |                              |                   |                           |                    |
| None.                                 |                              | 0.0               | 0.0                       | 0.0                |
| <b>Unrestricted Total</b>             |                              | <b>0.0</b>        | <b>0.0</b>                | <b>0.0</b>         |
| <b>Restricted Revenues</b>            |                              |                   |                           |                    |
| Federal Receipts                      | 51010                        | 344.4             | 468.1                     | 468.1              |
| Interagency Receipts                  | 51015                        | 73.5              | 277.4                     | 77.4               |
| General Fund Program Receipts         | 51060                        | 25.1              | 33.0                      | 33.0               |
| Statutory Designated Program Receipts | 51063                        | 38.9              | 231.4                     | 231.4              |
| Receipt Supported Services            | 51073                        | 947.2             | 966.3                     | 966.3              |
| Capital Improvement Project Receipts  | 51200                        | 3,885.2           | 5,123.4                   | 5,979.5            |
| <b>Restricted Total</b>               |                              | <b>5,314.3</b>    | <b>7,099.6</b>            | <b>7,755.7</b>     |

| Estimated Revenue Collections |                              |                   |                               |                    |
|-------------------------------|------------------------------|-------------------|-------------------------------|--------------------|
| Description                   | Master<br>Revenue<br>Account | FY2006<br>Actuals | FY2007<br>Manageme<br>nt Plan | FY2008<br>Governor |
| Total Estimated<br>Revenues   |                              | 5,314.3           | 7,099.6                       | 7,755.7            |

**Summary of Component Budget Changes  
From FY2007 Management Plan to FY2008 Governor**

*All dollars shown in thousands*

|   | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|---|----------------------|----------------------|--------------------|--------------------|
| <b>FY2007 Management Plan</b>   | <b>50,205.8</b>      | <b>468.1</b>         | <b>6,919.3</b>     | <b>57,593.2</b>    |
| <b>Adjustments which will continue current level of service:</b>                  |                      |                      |                    |                    |
| -Convert FY2007 ILTF fund source for increased airport operating hours to GF      | 85.0                 | 0.0                  | -85.0              | 0.0                |
| -Convert FY2007 ILTF fund source for Galena airport operating costs               | 95.0                 | 0.0                  | -95.0              | 0.0                |
| -Remove CIP one-time funds for Nome and Kotzebue extended airport operating hours | 0.0                  | 0.0                  | -10.0              | -10.0              |
| -Reverse October FY2007 Fuel/Utility Funding Distribution                         | -367.1               | 0.0                  | 0.0                | -367.1             |
| -Transfer Highway Working Capital Fund to State Equipment Fleet                   | 0.0                  | 0.0                  | -15.8              | -15.8              |
| -FY 08 Health Insurance Increases for Exempt Employees                            | 0.2                  | 0.0                  | 0.0                | 0.2                |
| -Fund Source Adjustment for Retirement Systems Increases                          | 216.0                | -49.8                | -166.2             | 0.0                |
| <b>Proposed budget increases:</b>   |                      |                      |                    |                    |
| -Restore CIP funds for Nome and Kotzebue airports                                 | 0.0                  | 0.0                  | 10.0               | 10.0               |
| -Fuel and utilities price increases   | 653.0                | 0.0                  | 0.0                | 653.0              |
| -Commodity price increase   | 200.0                | 0.0                  | 0.0                | 200.0              |
| -Rural Airport Maintenance Contracts price increase                               | 100.0                | 0.0                  | 0.0                | 100.0              |
| -Risk Management airport liability premium increase                               | 66.3                 | 0.0                  | 0.0                | 66.3               |
| -FY 08 Retirement Systems Rate Increases  | 2,946.0              | 49.8                 | 822.3              | 3,818.1            |
| <b>FY2008 Governor</b>  | <b>54,200.2</b>      | <b>468.1</b>         | <b>7,379.6</b>     | <b>62,047.9</b>    |

### Northern Region Highways and Aviation Personal Services Information

| Authorized Positions |   |                                  | Personal Services Costs          |                   |
|----------------------|---|----------------------------------|----------------------------------|-------------------|
|                      | <u>FY2007</u><br><u>Management</u><br><u>Plan</u> | <u>FY2008</u><br><u>Governor</u> |                                  |                   |
| Full-time            | 257   | 257                              | Annual Salaries                  | 17,029,824        |
| Part-time            | 73  | 73                               | Premium Pay                      | 2,286,632         |
| Nonpermanent         | 0   | 0                                | Annual Benefits                  | 14,485,059        |
|                      |   |                                  | <i>Less 4.89% Vacancy Factor</i> | (1,651,222)       |
|                      |   |                                  | Lump Sum Premium Pay             | 0                 |
| <b>Totals</b>        | <b>330</b>  | <b>330</b>                       | <b>Total Personal Services</b>   | <b>32,150,293</b> |

### Position Classification Summary

| Job Class Title                | Anchorage | Fairbanks | Juneau   | Others     | Total      |
|--------------------------------|-----------|-----------|----------|------------|------------|
| Accounting Tech II             | 0         | 1         | 0        | 0          | 1          |
| Administrative Assistant       | 0         | 5         | 0        | 3          | 8          |
| Administrative Clerk II        | 0         | 0         | 0        | 1          | 1          |
| Administrative Clerk III       | 0         | 3         | 0        | 4          | 7          |
| Administrative Manager II      | 0         | 1         | 0        | 0          | 1          |
| Analyst/Programmer II          | 0         | 1         | 0        | 0          | 1          |
| Division Director              | 0         | 1         | 0        | 0          | 1          |
| Eng Tech Sub Journey III       | 0         | 0         | 0        | 1          | 1          |
| Engineer/Architect III         | 0         | 1         | 0        | 0          | 1          |
| Engineering Assistant II       | 0         | 1         | 0        | 0          | 1          |
| Engineering Assistant III      | 0         | 1         | 0        | 0          | 1          |
| Engineering Associate          | 0         | 1         | 0        | 0          | 1          |
| Environ Impact Analyst II      | 0         | 1         | 0        | 0          | 1          |
| Environ Program Spec III       | 0         | 1         | 0        | 0          | 1          |
| Equip Operator Foreman I       | 0         | 4         | 0        | 10         | 14         |
| Equip Operator Foreman II      | 0         | 1         | 0        | 1          | 2          |
| Equip Operator Journey I       | 0         | 19        | 0        | 13         | 32         |
| Equip Operator Journey II      | 0         | 26        | 0        | 133        | 159        |
| Equip Operator Jrny III/Lead   | 0         | 2         | 0        | 49         | 51         |
| Equip Operator Sub Journey I   | 0         | 2         | 0        | 5          | 7          |
| Equip Operator Sub Journey II  | 0         | 3         | 0        | 9          | 12         |
| Equipment Operator Foreman I   | 0         | 1         | 0        | 0          | 1          |
| Maint & Operations Manager     | 0         | 1         | 0        | 0          | 1          |
| Maint & Operations Super       | 0         | 3         | 0        | 5          | 8          |
| Maint Gen Sub - Journey II     | 0         | 0         | 0        | 1          | 1          |
| Maint Spec Etrician Journey II | 0         | 0         | 0        | 2          | 2          |
| Maint Spec Tces Jrny II        | 0         | 3         | 0        | 0          | 3          |
| Mech Auto Adv Journey          | 0         | 0         | 0        | 2          | 2          |
| Regnl Saf&Arpt Sec Off         | 0         | 1         | 0        | 0          | 1          |
| Rural Airport Foreman          | 0         | 0         | 0        | 5          | 5          |
| Safety Officer                 | 0         | 1         | 0        | 0          | 1          |
| Secretary                      | 0         | 1         | 0        | 0          | 1          |
| <b>Totals</b>                  | <b>0</b>  | <b>86</b> | <b>0</b> | <b>244</b> | <b>330</b> |